

# Accelerating home-building in Scotland

## Scottish Government Consultation

To: All Chief Executives, Main Contacts and APSE Contacts in Scotland. For information only England, Northern Ireland and Wales.

### 1. Executive Summary

The Scottish Government has launched a consultation on proposals to accelerate home building across Scotland, in response to ongoing housing supply pressures and the declaration of a housing emergency by several local authorities. The focus is on addressing delays in delivery and identifying measures to ensure that approved developments are completed at a faster rate.

The consultation explores the potential use of financial incentives, penalties, and land-related interventions to encourage faster build-out, alongside wider issues such as infrastructure constraints and market capacity.

Local authorities are central to achieving these ambitions through their roles in planning, housing delivery and infrastructure coordination. The proposed measures have significant implications for local authority planning practices, policy enforcement and partnership working with building developers.

APSE encourages member authorities to engage with the consultation to ensure that proposals are informed by local delivery experience and practical constraints.

Responses are due by **Thursday 30<sup>th</sup> April 2026**.

[Click here](#) for further information and to submit your response.

[Click here](#) to read the full report.

### 2. Overview

The Scottish Government's consultation focuses specifically on the issue of slow-build out rates on housing sites that already have planning permission. While permissions are being granted, there is evidence that development is not proceeding at the pace required to meet housing needs. [Housing Statistics for Scotland](#) revealed that there were 18,347 homes completed and 14,846 started in the year to the end of September 2025 – a reduction of 8% and 5% respectively from the previous year. Social sector starts and completions particularly

reduced during this period, although the private sector homes completed reduced to their lowest level since 2018, and starts were the lowest since 2013.

The Scottish Government is seeking views on the causes of delay and potential interventions to accelerate delivery. These include both incentives to encourage development and penalties for non-delivery, as well as measures relating to land and infrastructure.

The consultation reflects increasing concern about housing supply, with 14 Scottish councils declaring a housing emergency between June 2023 and March 2026. The Scottish Government also declared a national housing emergency in May 2024. It represents a shift in focus from increasing planning approvals to increasing the delivery and completion of homes.

## Policy context and rationale

This consultation sits within the wider context of housing supply pressures across Scotland and ongoing efforts to increase the delivery of homes, particularly affordable housing.

Despite having a number of sites with planning permission, delivery rates have not kept pace with housing demands. This has led to increased focus on the gap between planning approvals and completed homes; the role of market behaviour and land ownership in influencing home building; and the need for public sector intervention to unlock stalled building sites.

This issue is not new. In 2016 the Minister for Public Finance published the [Independent Review of the Scottish Planning System](#) which made 48 recommendations for planning improvements, with five focusing specifically on housing delivery. In 2018 the UK Government published the report of an [Independent Review of Build Out](#) which found that large sites are taking more than 15 years on average to develop, and proposed recommendations focused on diversifying supply on large sites, providing funding to improve project viability, and increasing powers for local authorities to compulsorily purchase, masterplan, service and develop sites.

In May 2025 the [UK Government held a consultation](#) on a range of measures which could be deployed to speed up build-out of homes, which noted a context and set of challenges similar to the Scottish consultation, and set out a range of measures including several focused on improving the planning system.

In September 2025, the Housing Learning and Improvement Network published a report on [Affordable Housing Needs in Scotland Post-2026](#) which highlighted the importance of planning authorities bringing forward local development plans (LDPs) for each area as soon as possible, noting that some planning authorities are projecting delays beyond the 2028/29 expectation, and also found that some housebuilders are currently finding that the supply of land for housing is declining in advance of the LDP publications.

The Scottish Government is therefore exploring whether stronger measures are required to ensure that land with permission to build is developed in a timely manner, including potential changes to the balance between market incentives and regulatory intervention.

## Why local authorities should engage

Local authorities play a critical role in both enabling and delivering housing development and will be directly affected by any changes arising from this consultation.

Engagement is important because:

- Local authorities are responsible for granting planning permission and monitoring development progress.
- They play a key role in housing delivery, including the provision of affordable housing.
- They have powers relating to compulsory purchase and land assembly.
- Local authorities have direct insight into why sites stall or build out is delayed, including project viability, land availability, and resource allocation.

Any changes will have implications for planning workloads and performance expectations, housing delivery targets and funding, partnerships with developers and Registered Social Landlords (RSLs), and infrastructure and coordination.

Early engagement at the consultation stage will help ensure that proposals are realistic, deliverable for local capacity and informed by frontline experience.

## 3. Consultation Questions

The consultation questions are categorised as follows:

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The consultation questions are available in full below:

### **Option 1: Introduce fiscal measures to tackle inactivity or slow build-out.**

#### **Summary**

- **Applying a relief or supplement to taxes such as the Scottish Building Safety Levy (SBSL) or Land and Buildings Transaction Tax (LBTT) where development is, or is not, built out to an agreed timeframe.**
- **Applying a tax on land which is allocated in LDPs, but which has not been brought forward in a planning application as per the programming submitted when the LDP and its Delivery Programme were being prepared. Consideration will need to be given to sites where there is no clear route to delivery or commitment to programming.**

- **Applying a tax on sites which have planning permission, but where there is no activity on site or progress is evidenced to be unreasonably slow.**

1) Could fiscal incentives offering relief to other charges help to accelerate build-out rates? Yes/No/Unsure. Please explain your answer.

1(a) Which charges / taxes / levies could the incentives be applied to? Please explain your answer.

1(b) Should relief be in the form of full exemptions or variable rates? Full exemptions / variable rates. Please explain your answer.

1(c) Could a tax impact differently on different types of land owners? Please explain your answer.

1(d) Please provide any evidence of how fiscal measures linked to other charges would impact development finance to influence built out rates.

2) Should we introduce a tax on sites which have been allocated for residential development and/or have permission for homes, but are not being built out as expected, as set out in option 1? Yes/No/Unsure. Please explain your answer.

2(a) Should this apply to allocated sites, sites with permission, or both? Allocated sites/ Sites with permission/Both. Please explain your answer.

2(b) How should the charge be calculated? Please explain your answer.

2(c) Who should be required to pay the tax? Please explain your answer.

2(d) Should the charge operate as a local or a national tax? Local tax/national tax. Please explain your answer.

2(e) How should any income be used? Please explain your answer.

2(f) Please provide any evidence of how a tax connected to sites allocated or permitted not being built out would influence build-out rates.

## **Option 2: Monitor build-out rates and intervene where these are unreasonably slow.**

### **Summary**

- **Extend existing reporting requirements, to require a build-out statement/schedule and annual reporting of development progress (a “development progress report”) to planning authorities. This could support preparation, or review of housing land audits and LDP delivery programmes.**
- **Link these powers to cease planning permissions after an agreed or national fixed deadline, or where the planning authority considers progress to be unreasonable.**

3) Should we bring forward powers for reporting on development progress and powers to intervene where it is considered to be unreasonably slow, as set out in option 2? Yes/No/Unsure. Please explain your answer.

3(a) Should this include creating a legal framework for reporting on development progress? Yes/No/Unsure. Please explain your answer.

3(b) Should there be a power for planning permission to be revoked, without compensation being payable, where reporting demonstrates that progress is unreasonably slow? Yes/No/Unsure. Please explain your answer.

3(c) How would the pace of development be set and agreed – for example how would reasonable-ness be measured? Please explain your answer.

3(d) Please can you share any evidence of how reporting on development progress would influence build-out rates.

### **Option 3: Reduce procedural time and costs for SME developers.**

#### **Summary**

- **Enable application of a clearer proportionality framework, and reduce procedural time and costs for SME developers. This would involve increasing the granularity of the development hierarchy in order to draw out the specific circumstances in which the planning process for smaller sites could be varied.**
- **On smaller sites a range of measures could be deployed. For example:**
  - **Building a process, through legislation, for fast-tracking applications on smaller sites.**
  - **Reviewing and rationalising requirements in policy for smaller sites to allow developers to bring forward applications more quickly and at a lower cost. A rules based policy could sit alongside NPF4, setting out a simplified set of policy tests for very small and small sites to meet.**
  - **Advice could be provided on planning application information requirements, setting clearer and more streamlined expectations nationally.**

4) Should we bring forward legislation to amend the development hierarchy, to enable us to introduce more streamlined planning processes on planning applications for smaller sites, as outlined in option 3? Yes/No/Unsure. Please explain your answer.

4(a) How many categories should be defined by the development hierarchy, and what size of development should these cover? For example, four categories, that define major, medium, small and very small developments.

4(b) What are your views on, and do you have any evidence relevant to whether creating more categories in the development hierarchy might have an overall effect of speeding up or slowing down build-out of housing?

4(c) What are your views on whether we should review and rationalise policy requirements for smaller housing sites, or introduce a new rules based policy for smaller housing sites?

4(d) Do you think that further advice on planning application information requirements would support faster delivery of housing on smaller sites? Yes/ No/Unsure. Please explain your answer.

4(e) Do you think there are any further options that creating more categories in the development hierarchy might open up, further to those outlined in option 3? Yes / No / Unsure. Please explain your answer.

4(f) Do you think that this measure would have any particular benefits for SME housebuilders? Yes/No/Unsure. Please explain your answer.

#### **Option 4: Diversify the housing outputs from deliverable land.**

##### **Summary**

- **Develop existing policy requirements to shape how sites are appraised and selected for allocation in LDPs, and how delivery expectations regarding diversity of housing type and tenure are then specified.**
- **Require a diversity of housing types and tenures on sites above a fixed size threshold.**

5) Do you think that encouraging more diverse housing outputs across the pipeline of deliverable housing land would increase the pace of build-out? Yes/No/Unsure. Please explain your answer.

5(a) Should we use legislation to require a diversity of housing types and tenures on sites above a certain threshold? Yes/No/Unsure. Please explain your answer.

5(b) Do you think that this measure would have any particular benefits for SME housebuilders? Yes/No/Unsure. Please explain your answer.

5(c) Please provide any evidence of how increasing diversity would influence build-out rates.

##### **Further options**

6) Do you have any other suggestions for measures which could use levers available, or which could be put in place through the planning system, to deliver more homes at pace?

6(a) Please provide any evidence of how these potential measures could influence build-out rates.

## 4. APSE Comment

APSE encourages all Scottish member authorities to engage with this consultation and provide evidence based on their experience of housing delivery, planning and land management.

Housing supply remains a critical issue for local authorities. Councils are working to meet significant and growing demand, with many councils having declared a housing emergency. Data from [Homes for Scotland](#) shows that in March 2026 there was planning permission in place for at least 164,000 homes which have not yet been built, with over a quarter (43,000) controlled by non-home builders which includes local authorities and public agencies.

Furthermore, Scotland's demand for affordable housing is expected to increase due to a number of factors, including; rising and persistent levels of homelessness; the cumulative shortfall for house building delivery in previous years relative to demand; inflation in house and rental prices over the past five years (especially in private rental housing); continued growth in the number of households; and continued decline in average household sizes as the population ages and birth rates decline.

Discussions on the way forward with house building and sharing of best practice takes place in APSE Scotland's Housing, Construction and Building Maintenance Network. Network meetings are free to attend for APSE members. Previous presentations are available online [here](#) and upcoming meetings are listed [here](#).

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